

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

ERIC R. BAHE, Custodian, CGM Roth
Conversion IRA,

Plaintiff,

v.

FRANKLIN/TEMPLETON DISTRIBUTORS,
INC., and WILLIAM J. LIPPMAN,

Defendants, and

FRANKLIN BALANCE SHEET INVESTMENT
FUND,

Nominal Defendant.

Civil Action No. 04-11195 (MLW)

REPORT OF THE PARTIES

Pursuant to this Court's March 21, 2005 Scheduling Order in this action, the parties report that they will discuss the prospects for resolution of this action with the Court at the Scheduling Conference on May 9, 2006 at 4:00 p.m.

Dated: April 28, 2006

Respectfully submitted,

Plaintiff Eric R. Bahe
by his Attorneys,

Defendants Franklin/Templeton
Distributors, Inc. And William J. Lippman
by their Attorneys

/s/ Edward F. Haber
Edward F. Haber (BBO No. 215620)
Shapiro Haber & Urmy LLP
53 State Street
Boston, MA 02109
Tel: (617) 439-3939

/s/ Daniel A. Pollack
Daniel A. Pollack
114 West 47th Street
Suite 1900
New York, NY 10036
Tel: (212) 575-4700

Robert C. Schubert, Esq.
Juden Justice Reed, Esq.
Schubert & Reed LLP
Two Embarcadero Center
Suite 1660
San Francisco, CA 94111
Tel: (415) 788-4220

Certificate of Service

I hereby certify that this document, filed through the ECF system, will be sent electronically to the registered participants as identified on the Notice of Electronic Filing ("NEF") and paper copies will be sent to those indicated as non-registered participants on the 28th day of April, 2006.

/s/ Edward F. Haber
Edward F. Haber